

**DETERMINATION AND FINDINGS
FOR A SOLE SOURCE EXTENSION OF CONTRACT**

CONTRACT NO: POTO-2006-C-0077
CAPTION: Medicaid Management Information System (MMIS)
PROPOSED CONTRACTOR: Xerox State Healthcare , LLC
PROGRAM AGENCY: Department of Healthcare Finance (DHCF)
AUTHORIZATION: D.C. Official Code §2-354.04, 27 DCMR 1304 and 1700, 1701 and 2005.6(b)

1. MINIMUM NEED:

The District of Columbia Department of Healthcare Finance (DHCF) has a minimum need to continue operating its federally certified Medicaid Management Information System (MMIS). This system supports the traditional fee-for-service delivery model for the District's Medicaid Enrollees. During the period of this contract the District shall develop a new statement of work which incorporates changes to the MMIS driven by new requirements contained in the Affordable Care Act of 2010.

These services are currently met through Contract number POTO-2006-C-0077 with Xerox State Healthcare, LLC. This contract expires on September 9, 2014. Because of the technical changes mandated under the Affordable Care Act, the District must issue a Sole Source modification to avoid interruption of services, effective September 10, 2014.

2. ESTIMATED REASONABLE PRICE:

The total estimate cost for the services, consisting of a Two (2) Year Base Period and Two (2) One (1) Year Option Periods, is \$75,460,205.00. This price is based on the revised pricing schedule submitted by vendor.

3. FACTS WHICH JUSTIFY SOLE SOURCE PROCUREMENT:

The award of this Extension of a Sole Source Procurement is required to ensure continuity and avoid interruption of these vital services until a long term can be competitively-awarded. The interruption of these services would pose as a major threat to the District and jeopardize the health, welfare and safety of approximately 140,000 clients and 7,000 service providers who utilize the Medicaid program for DC residents.

The current contract expires on September 9, 2014. The sole source extension of these services is proposed for a Two (2) Year Base Period starting September 10, 2014 and ending September 9, 2016. This extension will also provide for Two (2) One (1) Year Option Periods to be exercised at the District's discretion, should a new contractor receive the award. The Option Period will allow for transition should a new Contractor receive the

award and require an extended implementation period. No market survey was required as Xerox is the only firm capable in the short term of fulfilling the District's requirements.

The transition time required from the current Contractor to a new awardee is estimated a minimum of two (2) years. This two year transition period is necessary to ensure compatibility and acceptance by the federal government. This process for developing and implementing including the total time for solicitation, developing and implementing and updated MMIS may realistically take up to three (3) years.

In addition to the above:

1. Xerox has a satisfactory performance record on the current contract;
2. Xerox has adequate financial resources to perform the requirements within the contract or the ability to obtain those resources;
3. The award of the Extension of the existing Sole Source Contract would minimize technical risks and other risk to the District, while DHCF completes its development of its requirements for a new MMIS that is compliant with the Affordable Care Act and acceptable by the federal government.
4. The current long term contract, POTO-2006-C-0077, solicited through the competitive sealed proposal market, was awarded to Xerox State Healthcare, LLC (Xerox) on September 10, 2007. The contract provided for a Base Period of five (5) years and Two (2), One (1) Year Options. The period of performance under Option Year Two (2) (current performance period) expires September 9, 2014. Subsequent to the award of the next long-term contract and in compliance with CMS' request for DHCF to develop a strategy to implement a new MMIS system, DHCF will require additional time to provide a Scope of Work to Office of Contracting and Procurement (OCP).

1. **CERTIFICATION BY AGENCY DIRECTOR**

I hereby certify that the above findings are true, correct and complete to the best of my knowledge and belief.

Date

Wayne Turnage, Director
Department of Healthcare Finance

5. **CERTIFICATION FINDINGS AND DETERMINATION BY THE CONTRACTING OFFICER**

Based on the findings, I hereby determine that the extension of the Sole Source award of these services to Xerox State Healthcare, LLC is in the best interest of the District and that the price is fair and reasonable. I recommend that the Office of Contracting and Procurement (OCP) Chief Procurement Officer approves the use of the Sole Source Extension Procurement method for the continuation of these services. I have reviewed the above findings and certify that they are sufficient to justify the use of the Sole Source Extension method of procurement under the cited authority. I certify that the notice of intent to Extend a Sole Source Contract was published in accordance with Section 404(c) of the District of Columbia Procurement Practices Reform Act (PPRA) of 2010 (D.C. Official Code §2-354.04) and that no response was received. I recommend that the Chief Procurement Officer approve the use of the Extension for Sole Source Procurement method for this proposed Contract.

Date

Callie Byrd-Williams
Contracting Officer
Office of Contracting and Procurement

DETERMINATION

Based on the above findings and in accordance with the cited authority, I hereby determine that it is not feasible or practical to invoke the competitive solicitation process under either Section 303, 402 or 403 of the District of Columbia Procurement Practices Reform Act of 2010 (D.C. Law 18-371; D.C. Official Code § 2-354.02, 2-354.03 or 2-354.04 Sec 404 (a)(b)(c) DCMR 1701.01, D.C. Law 18-371). Accordingly, I determine that the District is justified in Contracting with using the Sole Source Method of Procurement.

Date

James D. Staton, Jr.
Chief Procurement Officer
Office of Contracting and Procurement